

## Message Text

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PAGE 01 BUENOS 02052 242052Z

72

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01

LAB-04 SIL-01 OMB-01 AGR-05 DODE-00 PA-01 PRS-01

USIA-06 /060 W

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R 242303Z MAR 75

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 0457

LIMITED OFFICIAL USE BUENOS AIRES 2052

E.O. 11652: N/A

TAGS: EFIN, AR

SUBJECT: PARALLEL RATE RISING SHARPLY

1. SINCE MARCH 3 DEVALUATION, AND ESPECIALLY DURING LAST WEEK, PARALLEL MARKET EXCHANGE RATE HAS BEEN RISING PRECIPITOUSLY. ON LAST WORKING DAY PRIOR DEVALUATION, FEB. 28, PARALLEL RATE WAS 23.75 PESOS/DOLLAR. BY MARCH 20, RATE HAD REACHED 30 PESOS/DOLLAR, THEN DROPPED BACK SLIGHTLY FRIDAY, MARCH 21 TO 29.50. REPORTEDLY, THERE ARE FEW SELLERS AND STRONG DEMAND. MANY BELIEVE RATE WILL GO EVEN HIGHER THIS WEEK. COMMENT: CURRENT SPURT APPEARS REFLECT RECENT WAVE OF POLITICAL AND ECONOMIC UNCERTAINTY. RUMORS OF IMPENDING CABINET SHIFTS AND/OR OTHER POLITICAL CHANGES WERE SWIRLING AROUND ALL

AST WEEK. IN ECONOMIC SPHERE, INFLATION CONTINUES TO RISE AND CORPORATE SECTOR VERY UNHAPPY WITH NEW PRICE FREEZE. THUS FAR, CENTRAL BANK HAS ALLOWED PARALLEL RATE TO GO UP WITH MINIMAL INTERVENTION.

HILL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC CONDITIONS, FOREIGN EXCHANGE RATES, DEVALUATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** woolflhd  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BUENOS02052  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Film Number:** D750102-0992  
**From:** BUENOS AIRES  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1975/newtext/t19750323/aaaaaulj.tel  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
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**Review Authority:** woolflhd  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 SEP 2003  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PARALLEL RATE RISING SHARPLY  
**TAGS:** EFIN, AR  
**To:** STATE  
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